

# Contingency Reserves

**Mission:** To assure Sedgwick County government and citizens of proper use of county resources and informed financial decision-making.

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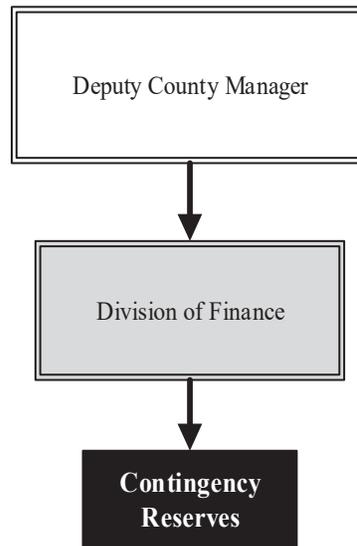
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## Overview

Contingency Reserves are used to set aside funds for unexpected events or events not anticipated at the time of budget adoption. These events include unforeseen increases in expenditures or reductions in revenues, public emergencies, mandates, and disasters.

The Contingency Reserves are comprised of allocated funding assigned to six contingencies based on the organizational unit it is intended to support:

- Operating Contingency
- Board of County Commissioners Contingency
- Public Safety Contingency
- General Fund Reserve
- CIP Contingency
- Compensation Contingency



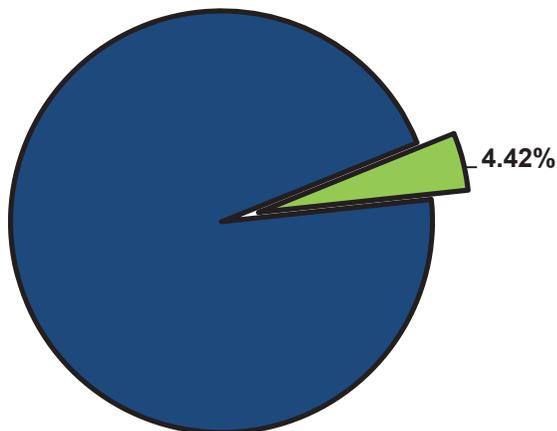
## Significant Budget Adjustments

Changes to the Contingency Reserves' 2019 budget includes an increase of \$7,009,061 in the General Fund Reserve to return to the prior level following an interlocal agreement with the City of Wichita and Spirit AeroSystems, Inc.; an increase of \$1,930,970 in the Operating Reserve to return to the prior level; an increase of \$842,553 to the Public Safety Contingency to return to the prior level following one-time start-up costs for the Work Release program; an increase of \$123,800 in the BOCC Contingency to return to the prior level; and an increase of \$27,447 in the Compensation Contingency, which reflects staffing changes in the County Manager's Office approved by the Board of County Commissioners on September 5, 2018.

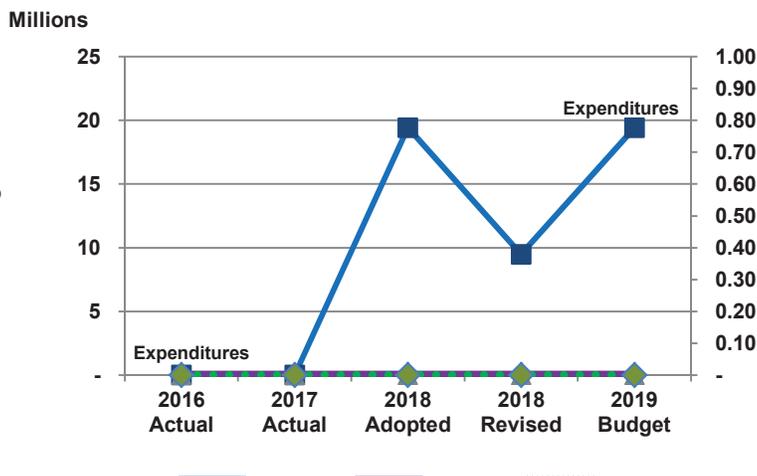


**Divisional Graphical Summary**

**Contingency Reserves**  
Percent of Total County Operating Budget



**Expenditures, Program Revenue & FTEs**  
All Operating Funds



**Budget Summary by Category**

	2016 Actual	2017 Actual	2018 Adopted	2018 Revised	2019 Budget	Amount Chg '18 Rev.-'19	% Chg '18 Rev.-'19
<b>Expenditures</b>							
Personnel	-	-	917,366	881,503	908,950	27,447	3.11%
Contractual Services	-	-	18,504,577	8,598,193	18,504,577	9,906,384	115.21%
Debt Service	-	-	-	-	-	-	-
Commodities	-	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	<b>19,421,943</b>	<b>9,479,697</b>	<b>19,413,527</b>	<b>9,933,831</b>	<b>104.79%</b>
<b>Revenues</b>							
Tax Revenues	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-
All Other Revenue	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-
<b>Full-Time Equivalent (FTEs)</b>							
Property Tax Funded	-	-	-	-	-	-	-
Non-Property Tax Funded	-	-	-	-	-	-	-
<b>Total FTEs</b>	-	-	-	-	-	-	-

**Budget Summary by Fund**

Fund	2016 Actual	2017 Actual	2018 Adopted	2018 Revised	2019 Budget	Amount Chg '18 Rev.-'19	% Chg '18 Rev.-'19
General Fund	-	-	19,048,150	9,105,903	19,039,130	9,933,226	109.09%
EMS Fund	-	-	22,887	22,887	22,804	(83)	-0.36%
Corrections Grants	-	-	37,261	37,261	37,338	77	0.21%
Health Division Grants	-	-	62,101	62,101	62,230	129	0.21%
Multi. Funds	-	-	251,544	251,544	252,026	482	0.19%
<b>Total Expenditures</b>	-	-	<b>19,421,943</b>	<b>9,479,697</b>	<b>19,413,527</b>	<b>9,933,831</b>	<b>104.79%</b>

**Significant Budget Adjustments from Prior Year Revised Budget**

	Expenditures	Revenues	FTEs
Increase in General Fund Reserve to restore to prior level	7,009,061		
Increase in Operating Reserve to restore to prior level	1,930,970		
Increase in Public Safety Contingency to restore to prior level	842,553		
Increase in BOCC Contingency to restore to prior level	123,800		
Increase in Compensation Contingency to restore to prior level	27,447		
<b>Total</b>	<b>9,933,831</b>	-	-

**Budget Summary by Program**

Program	Fund	2016 Actual	2017 Actual	2018 Adopted	2018 Revised	2019 Budget	% Chg '18 Rev.-'19	2019 FTEs
Operating Reserve	110	-	-	8,907,835	6,976,865	8,907,835	27.68%	-
BOCC Contingency	110	-	-	340,000	216,200	340,000	57.26%	-
Public Safety Cont.	110	-	-	1,400,000	557,447	1,400,000	151.14%	-
General Fund Reserve	110	-	-	7,500,000	490,939	7,500,000	1427.68%	-
CIP Contingency	110	-	-	356,742	356,742	356,742	0.00%	-
Compensation	Multi.	-	-	917,366	881,503	908,950	3.11%	-
<b>Total</b>		-	-	<b>19,421,943</b>	<b>9,479,697</b>	<b>19,413,527</b>	<b>104.79%</b>	-

**• Operating Reserve**

The Operating Reserve sets aside funding to address potential changes in service delivery, emergency situations, and establishes a funding source for services whose scope or full cost is undefined at the time the budget is adopted. It is allocated as a general contingency reserve to support County operations.

Traditionally, when budget authority allocated to the Operating Reserve is needed, funding is transferred to the appropriate division and then expended.

**Fund(s): County General Fund 110**

Expenditures	2016 Actual	2017 Actual	2018 Adopted	2018 Revised	2019 Budget	Amnt. Chg. '18 - '19	% Chg. '18 - '19
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	8,907,835	6,976,865	8,907,835	1,930,970	27.7%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>8,907,835</b>	<b>6,976,865</b>	<b>8,907,835</b>	<b>1,930,970</b>	<b>27.7%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• BOCC Contingency**

The Board of County Commission (BOCC) Contingency represents funding reserved to address unanticipated costs due to public emergency, service expansion, or State mandates.

Traditionally, when budget authority allocated to the BOCC Contingency is needed, funding is transferred to the appropriate division and then expended.

**Fund(s): County General Fund 110**

Expenditures	2016 Actual	2017 Actual	2018 Adopted	2018 Revised	2019 Budget	Amnt. Chg. '18 - '19	% Chg. '18 - '19
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	340,000	216,200	340,000	123,800	57.3%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>340,000</b>	<b>216,200</b>	<b>340,000</b>	<b>123,800</b>	<b>57.3%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• Public Safety Contingency**

The Public Safety Contingency reserves funding for both unanticipated operating costs resulting from a public emergency or State mandates, in addition to funding Public Safety services whose full cost cannot be precisely estimated due to variances in uncontrollable variables or changes in service composition.

Traditionally, when budget authority allocated to the Public Safety Contingency is needed, funding is transferred to the appropriate division and then expended.

<b>Fund(s): County General Fund 110</b>							
<b>Expenditures</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Adopted</b>	<b>2018 Revised</b>	<b>2019 Budget</b>	<b>Amnt. Chg. '18 - '19</b>	<b>% Chg. '18 - '19</b>
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	1,400,000	557,447	1,400,000	842,553	151.1%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>1,400,000</b>	<b>557,447</b>	<b>1,400,000</b>	<b>842,553</b>	<b>151.1%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• General Fund Reserve**

Sedgwick County has a minimum fund balance requirement set by County policy. The minimum unrestricted fund balance in the General Fund is set at 20.0 percent of budgeted expenditures. Unrestricted fund balance above the minimum requirement is considered the County’s General Fund Reserve. County policy allows this excess to be budgeted, but only for the following specific purposes: cash-fund capital projects or equipment replacement originally intended to be funded with debt; expected claims associated with risk management or workers' compensation; one-time expenditures that reduce future operating costs; and start-up expenditures for new programs approved by the BOCC. The amount included in this budget is not related to any specific purpose. These funds will only be expended if consensus on a purpose is reached by the BOCC.

<b>Fund(s): County General Fund 110</b>							
<b>Expenditures</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Adopted</b>	<b>2018 Revised</b>	<b>2019 Budget</b>	<b>Amnt. Chg. '18 - '19</b>	<b>% Chg. '18 - '19</b>
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	7,500,000	490,939	7,500,000	7,009,061	1427.7%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>7,500,000</b>	<b>490,939</b>	<b>7,500,000</b>	<b>7,009,061</b>	<b>1427.7%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• CIP Contingency**

New in 2016, the Capital Improvement Program (CIP) Contingency is an allocation of funding to be set aside for future use as a capital project funding source. It represents a designation of fund balance to use for cash-funding of capital projects.

**Fund(s): County General Fund 110**

Expenditures	2016 Actual	2017 Actual	2018 Adopted	2018 Revised	2019 Budget	Amnt. Chg. '18 - '19	% Chg. '18 - '19
Personnel	-	-	-	-	-	-	0.0%
Contractual Services	-	-	356,742	356,742	356,742	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>356,742</b>	<b>356,742</b>	<b>356,742</b>	-	<b>0.0%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>

**• Compensation Contingency**

New in 2017, the Compensation Contingency (called the Compensation Adjustment and Fair Labor Standards Act [FLSA] Contingency in the 2017 Adopted Budget) was created to reserve funding for targeted compensation adjustments as well as adjustments that would have been the result of changes to the FLSA that had been expected to go into effect on December 1, 2016, but which are no longer anticipated to occur. For 2019, funding is allocated to various County funds based on the budgeted personnel costs (excluding health and life insurance) in each fund in relation to the total of all funds included in the Contingency. The budget authority is in place to cover potential increased salary and wage costs associated with a review of position duties and whether those positions should be exempt or non-exempt from overtime under FLSA rules.

**Fund(s): Multi.**

Expenditures	2016 Actual	2017 Actual	2018 Adopted	2018 Revised	2019 Budget	Amnt. Chg. '18 - '19	% Chg. '18 - '19
Personnel	-	-	917,366	881,503	908,950	27,447	3.1%
Contractual Services	-	-	-	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	0.0%
Commodities	-	-	-	-	-	-	0.0%
Capital Improvements	-	-	-	-	-	-	0.0%
Capital Equipment	-	-	-	-	-	-	0.0%
Interfund Transfers	-	-	-	-	-	-	0.0%
<b>Total Expenditures</b>	-	-	<b>917,366</b>	<b>881,503</b>	<b>908,950</b>	<b>27,447</b>	<b>3.1%</b>
<b>Revenues</b>							
Taxes	-	-	-	-	-	-	0.0%
Intergovernmental	-	-	-	-	-	-	0.0%
Charges For Service	-	-	-	-	-	-	0.0%
All Other Revenue	-	-	-	-	-	-	0.0%
<b>Total Revenues</b>	-	-	-	-	-	-	<b>0.0%</b>
<b>Full-Time Equivalents (FTEs)</b>	-	-	-	-	-	-	<b>0.0%</b>